

Valuation Report

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22-26 Museum Street
Ipswich
Suffolk
IP1 1HZ

On behalf of Proplend Security Ltd

Our Ref: J0025812/DPH

As at 18 January 2019



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4	Title SK215170 - 24-28 Museum Street

1 Executive Summary

The following provides a brief synopsis only and should be read in conjunction with the main body of the Report, the Assumptions and Recommendations contained therein.

1.1 Client

Client: Proplend Security Ltd, 20-22 Wenlock Road, London N1 7GU
Customer: Museum Street Developments Ltd, attention Mr Quinton Hembry

1.2 Property

22-26 Museum Street, Ipswich, Suffolk IP1 1HZ

1.3 Summary Description

Terrace of three Grade II Listed late Georgian town houses converted into office use

1.4 Tenure

Freehold with vacant possession

1.5 Principal Valuation Considerations

Strengths

- Desirable central location
- Capable of division
- Attractive listed buildings retaining many historic features, predominantly with high ceilings
- Potential for conversion to residential use subject to planning permission

Weaknesses

- No parking
- Little demand for such a large area of cellular office space by office users
- Some repair issues including broken/blocked guttering and damage to internal plasterwork
- Would need an internal refit if let as offices
- Current political and economic uncertainty

Recommendations

- Explore potential for conversion to residential use
- Separate the title SK215170 of 24-28 Museum Street into that part falling within this valuation and the part (No 28) that is intended to become part of a development site (Nos 28-32).

1.6 Valuation

Market Value 1 (MV1): £550,000 (Five hundred and fifty thousand pounds)
[Freehold with vacant possession]

Market Rent 1 (MR1): £45,000 (Forty five thousand pounds) pa
[Assuming refurbishment of the Property and a single letting for an assumed term of five years]

Valuation prepared as at 18 January 2019 for secured lending purposes.
Valuer(s): Desmond Hirsch MSc FRICS, Consultant, RICS Registered Valuer (RICS No. 0078516).
Peer Reviewed by: Nick Brammar BSc (Hons) MRICS, Partner, RICS Registered Valuer (RICS No. 1154219).
Carter Jonas LLP Reference: J0025812/DPH

2 Client ('Client')

Proplend Security Limited
20-22 Wenlock Road
London
N1 7GU

Lender Contact: Stuart Bruce
Lender's Customer: Museum Street Developments Ltd, attention Mr Quinton Hembry

Neither the whole nor any parts of the Report nor any reference to it may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and content in which it may appear.

3 Instructions ('Instructions')

Our Report for secured lending purposes is submitted on the basis of our Terms of Engagement agreed with you (**Appendix 1**).

Our Valuation Report is prepared in accordance with the appropriate sections of the current RICS Professional Standards (PS) and RICS Global Valuation Practice Statements (VPS) contained in the RICS Valuation – Global Standards 2017 incorporating the IVSC International Valuation Standards (the 'Red Book').

This Report may be investigated by the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations.

This Report is provided for the stated purpose and for the sole use of the named Client. It will be confidential to the Client and its professional advisors. The Valuer accepts responsibility to the Client alone that the Report has been prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor but accepts no responsibility whatsoever to any parties other than the Client. Any such parties rely upon the Report at their own risk.

We shall rely upon information provided by the Client and / or the Client's legal or other professional advisors relating to tenure, leases and all other relevant matters.

4 Identification and Status of the Valuer ('Valuer')

This valuation has been undertaken by Desmond Hirsch MSc FRICS (Consultant) for and on behalf of Carter Jonas LLP.

We confirm that the Valuer has the following known material connection or involvement:

- In December 2017 the valuer undertook a valuation of 15 - 17 Arcade Street and 15 Museum Street, Ipswich, Suffolk IP1 1HE firstly via VAS for Mint Bridging Group and secondly for Prop Fin and D & B Finance Ltd both for the same borrower Lewbry Properties Limited, attention Mr Quinton Hembry.
- In June 2018 the valuer undertook a valuation for 22 - 32 Museum Street, Ipswich, Suffolk IP1 1HZ when instructed by VAS Panel on behalf of Proplend Security Ltd for the borrower Museum Street Developments Ltd, attention Mr Quinton Hembry.

We do not consider that the above involvement constitutes a conflict of interest nor compromises our ability to report to you with independence or objectivity.

The Valuer is an RICS Registered Valuer and is in a position to provide an objective and unbiased valuation. The Valuer has sufficient current local office knowledge of the particular market together with the skills and understanding required and is competent to undertake the valuation.

5 The Subject of the Valuation (the 'Property')

22-26 Museum Street
Ipswich
Suffolk
IP1 1HZ

The Property is used as offices, Use Class B1 (Business)

We understand the Property is intended to be the subject of a development or refurbishment.

6 Basis of Value

Market Value (MV) as defined in VPS4 of the 'Red Book' being:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'

Market Rent (MR) as defined in VPS4 of the 'Red Book' being:

'The estimated amount for which an interest in real Property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'

7 Valuation Date

Our valuation is as at 18 January 2019.

It should be noted that values change over time and a valuation given on a particular date may not be valid on an earlier or later date.

8 Inspection

The Property was inspected on 9 January 2019 by Desmond Hirsch, accompanied by Amelia Copley. The weather was clear, dry and sunny. We were granted access by the owner (Mr Hembry) but inspected on an unaccompanied basis.

We have assumed there have been no changes in the physical characteristics of the Property between the date of inspection and the publication of the Report.

9 Location

Ipswich is the county town of Suffolk, located on the estuary of the River Orwell. It is 20 miles north east of Colchester and 53 miles east of Cambridge. The town is situated within its own Ipswich Borough Council and has a population of approximately 145,000 (2011 census).

The population of the Ipswich Borough Council area are of below average means with 41.0% being classed as Major Groups 1-3 (Managers, Directors, Senior Officials / Professional Occupations / Associate Professional & Technical) compared to the national average of 45.9%. However 19.0% are classed as Major Groups 4-5 (Administrative & Secretarial / Skilled Trade Occupations) compared to the national average of 20.4% (ONS Annual Population Survey, June 2018).

The majority of employment in the Ipswich Borough Council area is service focused, with 89.2% of the workforce employed in the Service Sector (national average 85.6%) whilst 3.5% are employed in the Manufacturing Sector which is less than the national average of 8.2% (ONS Business Register and Employment Survey 2017). As at June 2018 the unemployment rate in the Ipswich Borough Council area was slightly above the national average of 4.2% at 4.6%.

Ipswich has good rail links, with a service running from Ipswich to London Liverpool Street three times an hour with a minimum journey time of one hour and four minutes. There are also regular rail services to Cambridge and Norwich, with a journey time of one hour and 19 minutes and 42 minutes respectively. The Property is bypassed by the A14 trunk road which links the town of Felixstowe with the Midlands and the rest of the national road network as a route of primary importance.

There are a number of schools in Ipswich, including more than ten primary schools, an infant and junior school and a number of high schools. Many of the schools have a 'Good' Ofsted rating, including Halifax Primary School and Clifford Road Primary School. There are also various independent day and boarding schools in and around the town, including Ipswich School, St Joseph's College and Orwell Park Preparatory School.

The Property is located centrally in the town, on the western outskirts of the main high street retail offer and just half a mile north of the Cardinal Leisure Park. The Property is on the western side of Museum Street in the block north of Elm Street and backs onto a footpath beyond which is the Parish Church and Gardens of St Mary at the Elms.

A location plan is attached at **Appendix 2**.

10 Description and Specification

Museum Street was developed in the mid-1850s. The buildings are predominantly three-storey with basement parts, and, with only a few exceptions, are constructed with front façades of Suffolk White brick and rear façades of red brick or render. Roofs are predominantly twin pitched slate covered but as the photographs below show there are several felted flat roofs to the rear. Many of the buildings north of the Elm Street junction were originally town houses and are listed as being of architectural or historic interest. Part of the subject Property is listed (see below).

The Property presents as a single block, immediately to the rear of the pavement line. No. 22 has side access onto a small frontage private area to the front of No. 20 which is set back. See **Appendix 3** plan. The Property forms part of 22-32 Museum Street which was most recently used as solicitors' offices all parts being open at various levels to one another. In brief it comprises what were previously three terraced buildings. Ceilings throughout the ground and first floors are high and the majority of windows are single glazed in timber frames. Internally there is access between the buildings on all floors with the exception of the basement but generally with a level change. There is currently open access at ground floor level to No. 20 and open access to both No. 20 and No. 28 (and 30 and 32 beyond) at first floor level. Externally, to the rear of No. 26, there is a small enclosed yard area.

Regarding specification the Property has been used as solicitor's offices for many years most likely following piecemeal acquisition by Birketts – Ipswich's largest legal practice. Following the traditional professional office pattern the various parts have been converted to specifications decreasing in visual terms from client areas (waiting rooms, reception areas, board rooms etc), senior partner offices (with good quality personal secretary room adjoining), Partner / Associate / Senior Manager rooms (with lesser quality accommodation for juniors, support staff, staff break-out areas etc). There are a number of filing rooms, store cupboards and a walk in safe in the basement of No. 24 (most likely with a reinforced ceiling, floor and walls). Ceilings are variously moulded and corniced through to suspended, lights vary from impressive brass chandeliers through to functional strips and floors are carpeted in office and most circulation areas. There are multiple stairs the most impressive being in No 26 – the reception area core. The office space is generally small cellular rooms with the exception of the ground floor board room areas in No. 26. Kitchenette and WC areas are scattered throughout the Property.

The extent of the Property is indicated on the site plan (Promap) attached at **Appendix 2**.

Photographs taken at the time of our inspection are reproduced below.



Front elevation facing south down Museum Street



Front elevation facing north up Museum Street



Rear elevation



Enclosed rear yard



Typical office space



Board room



Collapsed lath & plaster ceiling on second floor of No. 22



Leaking drain pipe to front of No. 22 at junction with No 20.



Temporary repair to ceiling on second floor (No. 26)



Example of damage to plasterboard ceiling (below No 26 flat roofed extension)



Ponding on rear GF to FF flat roof extension of No. 26



Damage to rear FF to SF felt roof extension of No. 26

11 Construction

The buildings are Listed Grade II GV and variously described in the listing records as:

- *No 22: An early C19 grey gault brick house with the main frontage set at right angles to the line of the street. It faces north up Museum Street with a pleasant forecourt formed by the fronts of Nos 18 and 20 and No 22 and makes an interesting group or early C19 buildings at the junction of Museum Street with Arcade Street. 3 storeys and cellars. 5 window range overall, the front has a quadrant corner with one window range, one window range on the east front and 3 window range on the north front. Double-hung sashes with glazing bars in moulded stucco architraves. The window ranges on the 1st and 2nd storeys are separated by pilsters and the ground storey windows are set in slightly recessed panels. A raised stucco band runs at 1st storey window sill level. A central doorway on the north front has a stucco Ionic doorcase with fluted engaged columns, frieze and a modillion pediment. Roof slate, with a modillion eaves cornice.*
- *Nos 24-30: A terrace of early-mid C19 grey gault brick houses. 3 storeys and cellars. 10 window range overall, No 26 has 4 window range and Nos 28 and 30 each has 3 window range, double-hung sashes with glazing bars, with moulded stucco architraves and sills with stub brackets. (The ground storey windows of No 30 are without glazing bars). A moulded stucco band runs at 1st storey window sill level. The ground storey windows are set in slightly recessed brick panels. On the upper storeys the facade is slightly recessed in alternate window ranges. No 26 has a C20 doorcase with a plain surround and Nos 28 and 30 have simple moulded architraves and cornices. Roofs slate, with modillion eaves cornices.*

12 Accommodation

The accommodation available at the Property is as follows:

Gross Internal Area

Floor	sq m	sq ft
Basement	92.65	997
Ground Floor	274.94	2,959
First Floor	256.70	2,763
Second Floor	223.29	2,403
Total Gross Internal Area	847.58	9,122

Net Internal Area

Floor	sq m	sq ft
No. 22		
Basement (Storage)	37.02	398
Ground Floor (Office)	97.37	1,048
First Floor (Office)	84.68	911
First Floor (Storage)	4.61	50
Second Floor (Office)	95.92	1,032
Second Floor (Storage)	0.72	8
Second Floor (Kitchen)	3.70	40
No. 22 NIA	324.02	3,487
No. 24/26		
Basement (Storage)	34.68	373
Ground Floor (Office)	73.92	796
First Floor (Office)	86.98	936
Second Floor (Office)	65.23	702
Second Floor (Kitchen)	6.34	68
No. 24/26 NIA	267.15	2,875
Total Net Internal Area	591.17	6,362

We have relied upon measurements taken from electronic CAD plans supplied to us by the borrower and the check measurements taken at inspection. These are assumed to be accurate.

We consider the removable partitioned circulation areas currently used for access to No. 20 and No. 28 would become usable space should the buildings be separated/blocked off and hence we have included the space within the net internal areas.

All measurements are approximate and calculated in accordance with the RICS Property Measurement (incorporating International Property Measurement Standards) 2nd Edition May 2018.

The total site area is 0.04 hectares (0.10 acres).

The built site coverage is estimated to be 74%.

The site area has been calculated electronically using digital mapping.

13 Services

Electricity	Mains
Water	Mains
Foul Drainage	Mains
Gas	Mains
Broadband / Telephone	Connected

Written confirmation has not been obtained from the service providers and we are unable to Report on condition or offer any warranty.

14 Apparent State of Repair

This Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services. Our valuation has taken account of the general condition of the Property as observed from the valuation inspection.

Due regard has been paid to the apparent state of repair and condition of the Property, but a building survey has not been undertaken. We have not inspected roof voids or those parts of the Property which are covered, unexposed or inaccessible. Therefore, we are unable to Report that the Property is structurally sound or is free from any defects. We have made an assumption that the Property is free from structural faults, design defects, rot, infestation and adverse toxic chemical treatments other than as mentioned herein.

At the date of inspection, the buildings appeared to be in a generally reasonable state of repair commensurate with their age and use. No urgent or significant defects or items of disrepair were noted which would give rise to substantial expenditure in the foreseeable future or which fall outside the scope of the normal annual maintenance programme were visible from this limited form of inspection.

For the purposes of this Report we make the following observations where visible from this limited form of inspection:

- Gutter leak to front of No. 22 causing damp on wall
- Fallen lath and plaster ceiling at second floor level to circulation area within No. 24
- Downpipe requires reconnecting to rear of No. 24
- Ponding and moss on ground to first floor flat roof extension at the rear of No. 24 causing internal ceiling damage
- Overdue external decorations to windows and doors
- Local damage to headers over ground floor rear windows to No. 26
- Damage to felt roofing on first to second floor flat roof extension at No. 26
- Tie rods evident in rear elevation of No. 22
- Plant growth on chimney stack between Nos. 26 and 28
- Private area to side of No. 22 is overgrown and requires attention
- Damage to coping stones on soft red brick wall enclosing rear yard
- Some signs of rain water affecting decorations in the areas that one would expect e.g. from flat roofs and rain water goods
- Damage to plasterboard ceiling in No. 22 at first floor level
- Temporary enclosure works to ceiling above circulation space at second floor level of No. 26
- Damp in basements
- Disused oil tank in brick bunded enclosure in basement to No. 26 where the main boiler has been replaced with one that runs off gas

15 Contamination / Environmental Issues

15.1 Contamination

No indications of past or present contaminative land uses were noted during the inspection. Our inspection was only of a limited visual nature and we cannot give any assurances that previous uses on the site or in the surrounding areas have not contaminated subsoils or ground waters. In the event of contamination being discovered, further specialist advice should be obtained.

15.2 Other Environmental Factors

The Property is shown by the Environment Agency (www.environment-agency.gov.uk) 'Flood Map for Planning' to be outside of the indicative floodplain.

Museum Street is shown by the Environment Agency 'Flood Map for Planning' to be at low to medium risk of surface water flooding.

Radon gas is a naturally occurring radioactive gas which is normally associated with areas based upon granite rock subsoils. The area in which the subject Property is situated has not been identified by Public Health England as one in which there is a high risk of radon gas entering properties.

Noting the limits to our inspection no Japanese Knotweed or Giant Hogweed was evident within the boundary of the Property.

15.3 Hazardous and Deleterious Materials

Many building components contain asbestos but these can be difficult to identify particularly if encapsulated. There are significant health hazards associated when ingesting dust containing asbestos fibres. Once asbestos based materials have been identified, care should be taken to avoid their disturbance or removal. Such work should only be undertaken by a licensed asbestos contractor and this can be a significant cost.

The Control of Asbestos Regulations 2012 requires asbestos to be managed in non-domestic premises. The practical effect of this is the imposition of a legal duty on every employer in non-domestic premises to make an assessment (the Asbestos Survey) as to whether asbestos is present or is liable to be present and if so to prepare a plan and for managing the health risks arising (the Management Plan) and keep this up to date as necessary.

During our inspection we were not provided with an Asbestos Survey or Management Plan. We are unable to confirm whether the Property complies with the requirements of the Regulations.

As the buildings pre-date 1999 there is a possibility of asbestos having been used in their construction or subsequent alterations.

The valuation given in this Report assumes that no specialist removal of asbestos material is required in the foreseeable future. If this proves not to be the case this could affect the value now reported.

We have assumed that no other deleterious or hazardous materials have been used in the construction of the Property or subsequently incorporated.

16 Statutory Enquiries

16.1 Fire Risk Assessment

The Regulatory Reform (Fire Safety) Order 2005 (SI 2005 No. 1541) came into effect on 1 October 2006. This requires the responsible persons for all non-domestic properties to prepare a Fire Risk Assessment (FRA).

During our inspection we were not provided with an FRA and we are unable to confirm whether the use of Property complies with the requirements.

16.2 Equality Act 2010

The Equality Act 2010 has replaced Part 3 of the Disability Act 2005. It imposes a duty on employers and businesses offering a service to the public to make reasonable changes to practices and procedures to enable disabled people to do their jobs, or remove or alter any feature that makes it impossible or unreasonably difficult for a disabled person to make use of the service provided. The duty of compliance rests with the occupier.

During our inspection we were not provided with a Disability Discrimination Audit and we are unable to confirm whether the use of Property complies with the requirements of the Acts.

16.3 Energy Performance Certificate

In England and Wales the Government has implemented the Energy Performance of Buildings Directive requiring Energy Performance Certificates (EPC) to be made available for all properties (with limited exceptions), residential and commercial, when bought, sold or rented. The Certificate is valid for ten years and includes an Energy Efficiency Rating between A (most efficient) and G.

The Property is listed and therefore exempt from the requirement to have an EPC.

17 Local Authority

Ipswich Borough Council
www.ipswich.gov.uk

18 Planning

18.1 Planning Enquiries

We have made online enquiries of the Local Planning Authority and in so doing have assumed that all information obtained is correct and accurate.

18.2 Local Planning Policy

Ipswich Borough Council has met to adopt the Ipswich Local Plan 2011-2031, in accordance with Regulations 17 and 26 of the Town and Country Planning (Local Planning) (England) Regulations 2012. The Local Plan comprises the Core Strategy and Policies Development Plan Document (DPD) Review, Site Allocations and Policies (incorporating IP-One Area Action Plan) DPD, Policies Map and IP-One Area Inset Policies Map.

When approving the two planning applications for the 2017 application to convert the buildings opposite (15 Museum Street and 17 Arcade Street) from office to residential use the Planning Authority stated that the following policies directly affected that Property:

- Policies CS4 (Protecting our Assets); CS7 (The Amount of Housing Required); DM1 (Sustainable Design and Construction); DM3 (Provision of Private Outdoor Amenity Space in New and Existing Developments); (DM4 (Development and Flood Risk); DM5 (Design and Character); DM8 (Heritage Assets and Conservation); DM13 (Small Scale Infill and Backland Residential Developments); DM17 (Transport and Access in New Developments); DM18 (Car and Cycle Parking); DM22 (Town Centre Uses Outside the Central Shopping Area), DM25 (Protection of Employment Land), DM26 (Protection of Amenity); DM30 (The Density of Residential Development).

We anticipate that were the subject Property to ever be proposed for conversion to residential use the same policies would likely apply.

18.3 Planning Permissions / Listings

We summarise below the relevant planning history as advised to us by the Local Planning Authority:

14/00269/FUL	31st Mar 2014	24 - 26 Museum Street Ipswich Suffolk	Installation of generator.	Approved/Conditions
14/00268/LBC	31st Mar 2014	24 - 26 Museum Street Ipswich Suffolk	Installation of generator and associated internal alterations. Works to repair existing railings.	Approved/Conditions
13/00637/LBC	19th Jul 2013	24 - 26 Museum Street Ipswich Suffolk	Alteration to internal lobby/reception layout including creation of a new opening from the	Approved/Conditions

			lobby to the existing meeting room, new glazed secure sliding doors and new reception desk location.	
10/00462/FUL	14th Jun 2010	22 Museum Street Ipswich Suffolk IP1 1HT	Removal of cellar window, infilling of opening with double skin of block work, damp proofing of outer skin and infilling of former pavement cellar opening with concrete.	Approved/Conditions
10/00461/LBC	14th Jun 2010	22 Museum Street Ipswich Suffolk IP1 1HT	Removal of cellar window, infilling of opening with double skin of block work, damp proofing of outer skin and infilling of former pavement cellar opening with concrete.	Approved/Conditions
06/00706/CALF	31st Jul 2006	26 Museum Street Ipswich IP1 1HZ	Lifting of low canopy of tree to five metres and light thinning of canopy of Lime tree in rear courtyard.	Approved/Conditions
98/00184/LBC	4th Mar 1998	22 Museum Street Ipswich IP1 1HT	Erection of satellite dish to rear elevation.	Approved/Conditions
98/00183/FUL	4th Mar 1998	22 Museum Street Ipswich IP1 1HT	Erection of satellite dish to rear elevation.	Approved/Conditions
97/00901/LBC	22nd Dec 1997	22 Museum Street Ipswich IP1 1HT	Addition of satellite receiver dish on rear elevation.	Refuse Permission
97/00901/FUL	22nd Dec 1997	22 Museum Street Ipswich IP1 1HT	Addition of satellite receiver dish on rear elevation.	Refuse Permission
7/00035/LBC	30th Apr 1987	26 Museum Street Ipswich IP1 1HZ	Replacement of 9 windows on rear wing.	Refuse Permission. Appeal Dismissed
6/00090/LBC	4th Dec 1986	26 Museum Street Ipswich IP1 1HZ	Replacement of 9 windows on rear wing.	Refuse Permission. Appeal Dismissed
75/00297/FUL	22nd Apr 1975	26 Museum Street Ipswich IP1 1HZ	Insertion of 3 windows in end elevation.	Approved
68/00200/FUL	27th Mar 1968	22 Museum Street Ipswich IP1 1HT	Change of use from dental surgery to solicitors office.	Approved

We have assumed that the lawful use of the Property at the date of our inspection was Use Class B1 (Business).

18.4 Potential for Change of Use

We are of the opinion the market would perceive the Property as having the potential for conversion to residential use.

19 Local Taxation

We have ascertained from the Valuation Office Agency (VOA) website that the entry in the 2017 Rating List at the Valuation date is as follows:

Address: 20 - 32, Museum Street, Ipswich, IP1 1HZ
 Assessment no.: 06470002032818
 Description: Offices and premises
 Rateable Value: £67,500

The assessment (which was altered in November 2018 to remove No. 18) includes the addresses Nos. 20, 28, 30 and 32 which are not included in this valuation.

The current multiplier, for the financial year 2018/19, is £0.493 (£0.480 for small businesses).

The rates payable may be subject to relief and / or phasing provisions. The Rating (Empty Properties) Act 2007 introduced legislation resulting in the owners of vacant premises becoming liable for business

rates after an initial void relief period of 6 months for industrial premises or 3 months for other Property types. There are some exceptions to include Listed buildings and premises with a very low rateable value.

20 Tenure

We are instructed to value the freehold interest in the Property with the benefit of vacant possession.

We note that the Property is currently registered as two titles with the Land Registry being:

- SK306508 - 22 Museum Street
- SK215170 - 24-28 Museum Street

We note that the southern part of title SK215170 includes No. 28 Museum Street, (as shown in **Appendix 4**) and advise that as Nos. 28, 30 and 32 are intended to be removed from our earlier valuation and developed as a residential conversion the title should be separated before loan finance is arranged.

We have not inspected the deeds of the Property and for the purposes of our valuation have assumed that they contain no onerous terms, restrictions, covenants, encumbrances or outgoings that would adversely affect the usual value and that good title can be shown.

We have assumed that the Property and its value are unaffected by any matters which will be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the Property nor its condition, nor its use, nor its intended use is or will be unlawful.

21 VAT and Taxation

We have not made any adjustments to reflect any liability to taxation that may arise on disposal, nor for any costs associated with disposal incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

We have not been able to ascertain the VAT status of the Property and have accordingly assumed that VAT would not be payable on the values now Reported.

22 Current Reinstatement Cost

We have been requested to provide an indication for insurance purposes of the reinstatement cost. We recommend that a suitable Report should be commissioned from a Chartered Building or Quantity Surveyor. We would be pleased to provide a quotation for such an estimate. For guidance purposes only we advise a minimum reinstatement value of £2,250,000 for the building, excluding fixtures, fittings and contents, in present including the costs of clearance and professional fees but excluding:

- VAT (except on fees)
- Loss of rent and / or
- The cost of alternative accommodation during the reinstatement period.
- The specialist removal / disposal of asbestos components or other contaminants that may be present in the building.

23 Special Assumptions

As agreed with the Client the following Special Assumption(s) have been made:

- None.

24 Summary of Recommendations

- Explore potential for conversion to residential use
- Separate the title SK215170 of 24-28 Museum Street into that part falling within this valuation and the part (No. 28) that is intended to become part of a development site (Nos. 28-32).

25 Market Conditions

National Commercial Market

The Q3 2018 RICS UK Commercial Property Market Survey results point to a relatively subdued trend across the occupier market, with the uncertainty of Brexit weighing on occupier decisions. Structural changes, however, continue to pose the most significant near term challenges for retailers, whilst conditions within the industrial sector continue to benefit from the shift towards online shopping.

At the headline level, occupier demand fell slightly for a second consecutive quarter, although this average reading continues to conceal significant disparities between the three main market sectors. Demand for industrial space continued to increase, albeit at a moderate pace, extending a run of uninterrupted growth from 2012. At the same time, interest from tenants in office space remained little changed and at the other end of the spectrum, demand from businesses looking for retail space continued to fall for a sixth quarter in succession.

Availability of retail space has reportedly risen over the quarter, prompting landlords to increase the value of incentive packages. Vacancy rates were more or less stable in the office sector, although the use of inducement packages did increase slightly. On the other hand, both availability and incentives continued to decline in the industrial sector.

At the all-sector level, near term rental expectations remained unaltered, pointing to virtually no change in headline rents over the coming three months. On a twelve month view, both prime and secondary industrial rents are anticipated to show solid growth, with expectations moderately positive for prime offices. On the same basis, secondary office rental projections are broadly flat. Expectations remain firmly negative for retail rental levels over the coming twelve months, both in terms of prime and secondary space.

Regionally, the retail sector continues to exhibit negative rental projections across all parts of the UK, with a downward trend anticipated in both prime and secondary locations. In London, secondary office rents are still expected to fall slightly and the outlook is relatively flat for prime office rents, although is more positive across all other UK regions. The industrial sector remains the outperformer in terms of rental growth expectations in all areas, although in some cases the forecasts have been reduced slightly.

In each quarter since the Brexit vote took place, there has been an increasing number of signs that firms are looking to relocate at least some part of their business as a result. It remains to be seen whether or not this is truly indicative of there being a rise in firms implementing contingency plans to relocate, due to concerns about the potential outcome of the negotiation process.

On the investment side of the market, headline demand improved, up to +4% from -3% in Q1. Investment enquiries rose most firmly in the industrial sector, whilst demand for offices also picked up, although only marginally, following a flat trend in the first quarter. However investors continue to be cautious of the retail sector. Overseas investment demand remained largely unchanged overall, albeit a small increase was cited for industrial assets. Alongside this, the supply of property on the market for sale declined in all but the retail sector, where it continued to rise for a fifth consecutive quarter.

As a result of the above, twelve month capital value expectations remain in negative territory across the retail sector, with prices anticipated to decline for both prime and secondary assets. Capital value expectations remain modestly positive for prime offices, however the outlook for secondary has turned slightly negative at the national level and hence, relative to the previous results, overall expectations fell

slightly across the office sector. Given the still supportive supply demand dynamic, prime and secondary industrial values are again seen posting solid gains over the year ahead.

From a regional perspective, prime offices are expected to show solid capital growth over the year ahead in virtually all parts of the UK. The outlook for secondary is more mixed, with a flat to slightly negative trend in values forecast for most areas. In London, capital value projections across the office market remain slightly weaker than the regional averages. Both prime and secondary retail values are anticipated to come under downward pressure across the UK, albeit projections are significantly weaker for the latter. At the other end of the scale, prime industrial values are seen rising firmly in all parts of the country. The outlook for secondary industrial prices now appears strongest in the Midlands and the south of England.

Local Commercial Market

Ipswich has an established office market with a total estimated 3.3 million sq ft of stock as at 2017 according to PMA. There has been little in the way of new development since the credit crunch and subsequent recession of the late 2000's with the majority of modern accommodation having been constructed during the early to mid-2000's. Of the limited development in recent years one of the more notable developments is Birketts' (who previously occupied the subject Property) new headquarters office at 141/145 Princes Street which was undertaken by Churchmanor Estates and completed in early 2018.

Take up of office accommodation in the town in 2017 was estimated to be 45,000 sq ft, down on both the 2016 and 2015 figures of 90,000 sq ft and 142,000 sq ft respectively, and below the post 2008 annual average of 85,000 sq ft. Equivalent 2018 figures are not yet available.

Since 2008 approximately 62% of take up has been for town centre accommodation with the out of town market accounting for 38% of take up. During this time approximately 79% of take up has been for premises of less than 25,000 sq ft, with 25,000 to 50,000 sq ft premises accounting for 4%, 50,000 to 100,000 sq ft premises accounting for 17% and no transactions of premises of over 100,000 sq ft.

As at the end of 2017 availability stood at approximately 387,000 sq ft equating to approximately 12% of the total stock, up 13% on the end of 2016 figure of 343,000 sq ft.

There is an estimated 2.4 million sq ft of office accommodation in the Ipswich development pipeline of which 11% is in town centre locations and 89% out of town.

Like many regional centres across the UK Ipswich has seen a number of office buildings converted to residential use over the past five years or so and this has decreased the city centre office availability in particular.

26 Valuation Approach and Reasoning

Market Value

In determining the Market Value of the Property we have adopted a comparable method of valuation and have had regard to the following sales of town centre office properties in Ipswich, some of which have been sold for conversion to residential use.

- 9 & 11 Museum Street comprises a four storey (including basement) 19th century Grade II listed office building with rear parking for 8-10 cars. Suitable for residential conversion subject to planning. The property is currently offered for sale with vacant possession for an asking price of £475,000 (£101 per sq ft). We understand from the selling agent there have been a number of offers sub £450,000, none of which have been accepted, and that the majority of interest has been with the intention for residential development.
- 25 Princes Street comprises a self-contained four storey character office building extending to approximately 1,400 sq ft (NIA) with a rooftop terrace. The accommodation has been presented

to a good standard. The property sold with vacant possession in December 2018 for £250,000 (£179 per sq ft).

- Saxon House, 1 Cromwell Square comprises a detached four storey office building probably dating from the 1990's which extends to approximately 14,310 sq ft with 10 parking spaces. The accommodation is presented to a reasonable air conditioned specification. The property sold with vacant possession in March 2018 for £1,700,000 (£119 per sq ft).
- 6 Lower Brook Street comprises a Grade II listed 18th Century terraced two storey plus basement office building extending to approximately 4,565 sq ft, of which 429 sq ft comprises basement storage. The property has a number of period features and benefits from four parking spaces. The property sold with vacant possession in February 2018 for £373,000 (£82 per sq ft).
- 4 Soane Street is a period Grade II listed terraced office building which is arranged over basement, ground, first and second floors and extends to approximately 1,453 sq ft, of which 41 sq ft is basement storage. The property sold with vacant possession in May 2017 for £165,000 (£113 per sq ft).
- 34 Museum Street is an art deco style office building which is arranged over ground, first, second and basement floors and extends to approximately 3,439 sq ft, of which 425 sq ft is basement storage, presented to a basic specification. The property sold with vacant possession in May 2017 for £360,000 (£105 per sq ft). More modern and located adjacent to the subject Property. The property has been converted into three flats for letting purposes and retained by the developer.
- 17 Arcade Street / 15 Museum Street comprises a terraced Grade II listed terraced office building which is arranged over ground and first floors and extends to approximately 3,793 sq ft. The property sold with vacant possession in April 2017 for £325,000 (£86 per sq ft). The property is situated opposite to the subject property and also formed part of Birketts' former offices. The property was sold at the same time and to the same purchaser as:
- 15 Arcade Street is a period terraced office property which is arranged over ground, first and second floors with basement and extends in total to approximately 1,197 sq ft. The property sold with vacant possession in April 2017 for £130,000 (£109 per sq ft). The property forms part of the same planning consent for residential development as 17 Arcade Street / 15 Museum Street.

Regarding the final two comparable sales the vendor was Birketts and the purchaser was the present borrower Mr Quinton Hembry. On the above purchases he purchased as Lewbry Properties Limited and has subsequently obtained planning consent to convert the properties to residential use. We inspected that scheme's progress in June 2018 but on this occasion we were not able to gain internal access (although we noted workmen on site and an agent conducting a viewing). Mr Hembry was also the purchaser of 20 Museum Street which is a further example of an office that is likely to be converted to residential use and we noted that rear access to its car park has been blocked off since our earlier inspection.

It should be noted that as a Listed Building located in a Conservation Area full planning consent would be necessary for change of use rather than a 'Prior Notice' application. We would anticipate higher offers 'subject to planning'. We are however valuing 'as is' as offices which rules out waiting for a change of use to be approved.

We understand that contracts were exchanged for the purchase of 22-32 Museum Street, of which the subject Property forms part, on 30 December 2017 at £875,000 (£71.68 per sq ft). We also previously valued 22-32 Museum Street in its existing use on the basis of Vacant Possession in June 2018 at £875,000.

Lower Brook Street and 17 Arcade Street / 15 Museum Street provide the most pertinent evidence at £82 to £86 per sq ft, both Grade II listed although smaller than the subject Property. We therefore consider the subject Property to have a Market Value as a single entity with vacant possession of £550,000, equating to £86.45 per sq ft overall based on our NIA of 6,362. This reflects a reduction in value on a sq ft basis to account for quantum together with an enhancement in value to reflect the opportunity for a purchaser to readily divide the whole returning it into three individual properties. This is more than our June 2018 valuation of 22-32 Museum Street at £71.68 per sq ft to account for quantum reduction in size by approximately half and to reflect the enhancement in value through dividing such a large property. We have not deducted for purchase costs as this would not be standard practice for a purchase of this nature. We have not factored in improvement costs or separation costs as we feel that for an owner occupier, particularly if acquiring part, these costs would be implied by acquisition at the proposed figure.

As the Property is vacant, the owner having no intention of letting it as offices, pending a later conversion to residential use we have not carried out an investment appraisal.

Although we have noted that the Property is held on two Land Registry titles we also noted that some of the services are shared across the Property such as heating from a single boiler in the basement of No. 24. However the boiler also supplies Nos 28 and 30 (and possibly No 20 but we did not check this point) and would need to be altered to reflect division from these properties. We understand from the borrower that No. 22 and Nos. 24/26 have separate power supplies.

Regarding likely demand for sale of properties of this size and nature we feel that an owner occupier office user, unless say 'small establishment' educational or medical user, is unlikely to be a purchaser as is an investor looking to let offices in this location. During our previous valuation in June 2018 we spoke to the selling agents regarding the marketing during 2017 of 22-32 Museum Street and the interest expressed. They reported that there were other interested developer parties at the time of agreeing the sale to the borrower and that a combination of the vendor wanting to temporarily remain in occupation plus the purchaser being prepared to exchange contracts very quickly with a delayed completion influenced the agreement to proceed at the offered price.

Regarding what might happen today were the Property to be marketed for sale with vacant possession our sense is that Museum Street is no longer a desirable office location but becoming a more desirable place to live given its close proximity to the centre and the nature of the buildings so that, as already noted, most interest would be from developers wanting to change the use to residential. There has been much recent activity with office to residential conversions in Ipswich often with buildings that do not have the locational and 'inherent physical interest' characteristics of the subject Property.

In close proximity to the subject Property we are aware of the acquisition of No. 20 Museum Street by the director of the borrower company with the intention to convert the office building into residential accommodation. Nos. 18 and 34 Museum Street to either side of the subject Property have also been converted back to residential use and we understand Nos. 28-32 are shortly to be the subject of a planning application to convert them into residential accommodation comprising 9 one and two bed apartments.

Currently, we understand that the borrower's development scheme opposite the subject Property involving the conversion of Grade II listed former offices to residential apartment use has had good interest, with exchange of six out of nine flats currently pending of which two are expected to complete this month. The developer market will differ however between those prepared to take a planning risk (as is the case with the borrower) and those who are more cautious and only prepared to commit on a 'subject to planning' or 'post planning' basis.

Market Rent

We are aware of the following transactions for office accommodation in Ipswich:

- Hyde Park House, Crown Street is a modern purpose built office constructed in the 1980s arranged over three floors comprising refurbished open plan accommodation with on-site car parking. The ground floor (7,427 sq ft) was let in May 2018 to Pound Gates and Company Ltd on an FRI lease for approximately £74,000 per annum, equating to £9.95 per sq ft.
- Merchants Court and 74–78 Foundation Street forms an interconnecting office building totalling 4,500 sq ft, where 3,926 sq ft of ground, first and second floor space known as Unit 4 was let in April 2018 on an effective FRI lease for a term of ten years. The rent achieved was approximately £29,000 per annum, equating to £7.40 per sq ft which was below the asking at £8.90 per sq ft.
- 4 Soane Square is a Grade II Listed period office building with 1,453 sq ft of office accommodation over three floors and a basement. The whole of the Property is available to let on an FRI lease for a term of years to be agreed at £12,500 per annum, equating to approximately £10.00 per sq ft on an ITMS (In Terms of Main Space) basis.
- 10 Queen Street is a Grade II listed building comprising a ground floor retail unit and 1,424 sq ft of first and second floor office accommodation. The office space was let in December 2017 on an effective FRI lease for a term of five years with the incentive of a three month rent free period. The rent was agreed at £9,000 per annum, equating to £6.32 per sq ft overall or £8.14 per sq on an ITMS basis (with the ground floor entrance, kitchen and second floor accommodation at half rate).
- Fraser House, 23 Museum Street and Maple Court, 19 Elm Street comprises interconnecting office buildings in Ipswich totalling 24,547 sq ft. The second floor of Fraser House comprising 2,644 sq ft of office accommodation and two car parking spaces was let to Brewin Dolphin Ltd in September 2014 for a ten year term on effective FRI terms with a rent review at the end of the fifth year and a tenant option to break in 2019. The rent agreed was £33,300 per annum, equating to £12.60 per sq ft. More recently, the fourth floor of Maple Court comprising 1,885 sq ft of office accommodation and two parking spaces was let to SETL Development Limited in November 2016 for a five year term on effective FRI terms with a tenant option to break in 2019. The rent agreed was £16,464 per annum, equating to £8.73 per sq ft.
- Chelsea House at 2 Princes Street comprises approximately 6,700 sq ft of retail and office accommodation. Suite 11 comprises 1,054 sq ft of office space, let in December 2015 to Great British Enterprise Ltd on a five year term with a rent review and a tenant option to break in November 2018. The rent agreed was £8,500 per annum, equating to £8.06 per sq ft.

Regarding Market Rent, we have considered the above comparables and taken the view that a Market Rent of £8.75 per sq ft ITMS is appropriate for the Property, taken as a whole for a five year term. This is slightly more than our June 2018 rental value of 22-32 Museum Street at £8.25 to reflect the reduction in size and therefore account for quantum. Our calculation after reducing the value of the second floor, basement, storage and kitchen areas is that the Net lettable calculation ITMS should be worked off 5,165 sq ft which at £8.75 per sq ft equals £45,191 which we have sensibly rounded to £45,000 pa.

These figures assume that the office areas would be ready for occupation. They do not reflect the current condition which varies widely across the Property as a whole. In practice any letting is likely to be linked to a rent-free concession and the length of this would need to reflect the cost to the tenant of implementing any necessary repairs over and above typical tenant fit-out works. If the landlord were to have to implement improvements this could reduce the rent free period to nearer the industry norm of circa 3 to 6 months for tenant fit-out, assuming a 5 year term.

Regarding likely demand for rent of properties of this size and nature we feel that, although there will always be a market for small suites or buildings offering inexpensive centrally located offices, for the size of space available as a single letting the market will be very restricted as occupiers will prefer, open plan flexibility, available parking and staff comfort (which may be challenging with single glazing). There will be demand but it will be restricted.

There is currently significant political uncertainty and this could have an adverse effect on the economy and the property market and therefore we recommend that all valuations are reviewed on a regular basis.

27 Suitability as Loan Security

Although we comment on the suitability of the Property as loan security, we do so generally and not in the context of the specific loan terms on which we are not qualified to do so.

We have assumed that a Lender will (1) satisfy themselves as to their Customer's ability to finance the proposed loan repayments and (2) ensure compliance with the usual lending criteria of the Lender.

Subject to the above, noting the content of this Report and any Special Assumptions, we consider the Property is suitable security for loan purposes.

28 Valuation

Market Value 1 (MV1) – [Freehold with vacant possession]

We are of the opinion that subject to the Assumptions in this Report the Market Value as at the valuation date was £550,000 (Five hundred and fifty thousand pounds) exclusive of VAT.

Market Rent 1 (MR1) – [Assuming refurbishment of the Property and a single letting for an assumed term of five years]

We are of the opinion that subject to the Assumptions in this Report the Market Rent as at the valuation date was £45,000 (Forty five thousand pounds) pa exclusive of VAT.

This Report and valuation has been carried out by Desmond Hirsch MSc FRICS, Consultant, an RICS Registered Valuer (RICS No. 0078516) qualified for the purpose.



.....



..... Peer reviewed by Nick Brammar BSc (Hons) MRICS, Partner, RICS Registered Valuer (RICS No. 1154219).

For and on behalf of Carter Jonas LLP
Valuation Date: 18 January 2019
Date of Report: 18 January 2019
Carter Jonas LLP Reference: J0025812/DPH

Appendix 1

Terms of Engagement

One Station Square
Cambridge
CB1 2GA

Stuart Bruce
Proplend Security Limited
20-22 Wenlock Road
London
N1 7GU

T: 01223 368771

F:

Your ref: Quinton Hembry

Our ref: DPH

11 January 2019

Dear Mr Bruce

PROPERTY VALUATION

Client: Proplend Security Ltd
Potential Borrower: Mr Quinton Hembry T/A Museum Street Developments Ltd
Property: 22-26 Museum Street, Ipswich IP1 1HZ
Purpose: Valuation for Secured Lending
Interest: Freehold with vacant possession
Type / Use: Business Use Class B1 (Offices)
Currency: Pound Sterling (£ GBP)

I refer to earlier E-mail correspondence and your undated Valuation Request received 2 January 2019.

Thank you for your instruction to act on your behalf. This Letter of Engagement ("Letter") should be read in conjunction with our Terms of Engagement ("Terms") which are available in the Terms & Conditions section at the foot of our website (www.carterjonas.co.uk), or by request.

We are required to confirm the following details prior to submission of our Report. We would be grateful if you could sign the enclosed copy of this letter and return it to us. Please note that we will be unable to release the Report until this has been received.

This Letter sets out the agreement between the parties. Any subsequent changes will be discussed with you and where appropriate a new Letter or written confirmation of agreed variations will be issued.

1. Our services

Carter Jonas is instructed to undertake a valuation of the above detailed property. The valuation will be completed in accordance with the appropriate sections of the current RICS Professional Standards (PS) and RICS Global Valuation Practice Statements (VPS) contained in the RICS Valuation – Professional Standards 2017 incorporating the IVSC International Valuation Standards (the 'Red Book').

2. Fees and expenses

The agreed fee will be £2,000 plus VAT and we note that this should be invoiced directly to Museum Street Developments Ltd who will be required to settle prior to the release of our Report.

Payment of fees is due within 14 days of the date of our invoice.

3. Basis of Value

Market Value (MV) as defined in VPS4 of the 'Red Book' being *'the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'*

Market Rent (MR) as defined in VPS4 of the 'Red Book' being *'the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'*

4. Valuation Date

On or before 18 January 2019.

5. Status of the Valuer and Disclosure of Involvements

The valuation will be undertaken by Desmond Hirsch for and on behalf of Carter Jonas LLP. We will act as an External Valuer, as defined by the Red Book.

We confirm that the Valuer has no known material connection or involvement with the subject of the valuation or the client. However we have previously valued other properties where Mr Quinton Hembry had an interest including the subject Property for yourselves as at 21st June 2018 when instructed by VAS Panel when it was being acquired by the Mr Quinton Hembry trading as Museum Street Developments Ltd together with Nos 28-32 as a single block on an existing use basis.

We do not consider that the above involvement constitutes a conflict of interest nor compromises our ability to report to you with independence or objectivity.

The Valuer is an RICS Registered Valuer and is in a position to provide an objective and unbiased valuation. The Valuer has sufficient current local residential knowledge of the particular market together with the skills and understanding required and is competent to undertake the valuation.

6. Assumptions or Departures

In preparing the report, unless otherwise stated by the Valuer, the following assumptions will be made which the Valuer shall be under no duty to verify:

- 6.1 No harmful or hazardous material has been used in the construction of the property or has since been incorporated and that there is no contamination in or on the ground, and it is not landfilled ground.
- 6.2 That good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing.

- 6.3 That the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the property, nor its condition, nor its use, nor its intended use, is or will be unlawful.
- 6.4 That inspection of those parts that have not been inspected would not reveal a material defect nor cause the Valuer to alter the valuation materially.
- 6.5 Unless otherwise stated, that no contaminative or potentially contaminative uses have ever been carried out on the property and that there is no potential for contamination of the subject property from past or present uses of the property or from neighbouring property.
- 6.6 Unless stated to the contrary we shall assume that all uses evident at the time of our inspection are fully authorised and are not in contravention of any planning permission or any condition(s) and that all necessary statutory requirements including, but not limited to, planning, building regulations, environmental, employment, fire, health and safety have been complied with.
- 6.7 There have been no changes in the physical characteristics of the property between the date of our inspection and the publication of our report.
- 6.8 The valuation will only take into account those items of plant and machinery which primarily provide services to the land and buildings and which the open market regards as an integral part of the property.

7. Special Assumptions

None.

8. Extent of Investigations

The Valuer will carry out inspections and investigation to the extent necessary to produce a valuation, which is professionally adequate for its purpose. We confirm that we inspected the Property externally and internally on Wednesday 9 January when we were granted access by the borrower but were unaccompanied.

Unless agreed otherwise with you:

- 8.1 The Valuer will undertake a visual inspection of so much of the exterior and interior of the property as is accessible with safety and without undue difficulty, as can be seen whilst standing at ground level within the boundaries of the site and adjacent public / communal areas and whilst standing at the various floor levels, which the Valuer considers reasonably necessary to provide the Valuation, having regard to its purpose.
- 8.2 We will check measure the Property in accordance with the latest edition of RICS Code of Measuring Practice but otherwise rely upon architect's plan floor areas provided by the Client/Potential Borrower.
- 8.3 The areas we report will be appropriate for the valuation purpose, but should not be relied upon for any other purpose.
- 8.4 The Valuer will have regard to the apparent state of repair and condition of the property but would not carry out a building survey nor inspect roof voids, raise boards, move anything or those parts of

- the property, which have been covered, unexposed or inaccessible. Such parts will be assumed to be in good repair and condition. The Valuer will not be under a duty to use a moisture detecting meter or arrange for the testing of electrical, heating, plant or other services.
- 8.5 If the Valuer's inspection suggests that there may be material hidden defects the Valuer will so advise and may exceptionally defer submitting a final report until the results of further investigations are available.
- 8.6 We will rely upon public access website and verbal information obtained from the relevant local planning or municipal authority which will be assumed to be correct. No responsibility can be accepted for any misstatement of omission in information supplied to us at the time of our enquiries. No formal search of planning registers will be made. We will provide details on entries in the valuation lists but will not advise as to the current validity of the District Valuer's assessment, nor any potential liability for retrospective payments.
- 8.7 The report will not identify the existence of contamination unless, by agreement with the client, reports thereon from others have been obtained and made available to the Valuer, who will have no liability in respect thereof. If, however, the Valuer in the course of the Valuation inspection concludes that there may be material contamination, the Valuer will report this to the client with a view to a decision being taken as to whether the Valuers instructions are to be amended.
- 8.8 We will provide an assessment of reinstatement costs for insurance against fire and other perils.

9. Nature and Source of Information to be relied upon

The Valuer shall, unless otherwise expressly agreed, rely upon information provided by the client and / or the client's legal or other professional advisors relating to tenure, leases and all other relevant matters.

The Valuer accepts no responsibility or liability for the true interpretation of the client's legal title in the property.

10. Report Format

The Report will be produced in accordance with the requirements of VPS3 of the Red Book.

11. Consent to Publication

Neither the whole nor any parts of the report nor any reference to it may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and content in which it may appear.

12. Limitations

The report will be provided for the stated purpose and for the sole use of the named client. It will be confidential to the client and their professional advisors. The Valuer accepts responsibility to the client alone that the report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor but accepts no responsibility whatsoever to any parties other than the client. Any such parties rely upon the report at their own risk.

13. Third Party Reliance

Responsibility for our valuation extends only to the named client to whom it is addressed. However in the event of us being asked by you to readdress our report to another party or other parties or permit reliance upon it by another party, we will give consideration to doing so subject to an agreed additional fee.

Where we consent in writing to reliance on our report by another party(ies), we do so on the condition that the other party is bound by these terms, as though they had been a party to the original letter between us and where you act on behalf of a syndicate or in relation to a securitisation, you agree that you are not entitled to pursue any greater claim on behalf of any other party than you would have been entitled to pursue on your own behalf had there been no syndication or securitisation.

Where you provide a copy of and/or permit another party(ies) to rely upon our valuation report without obtaining our express written consent and fail to provide us with the written consent of any other party (ies) who have received our report to be bound by this letter, you agree to indemnify us for any and all liability which arises from the use of or reliance upon our report by such unauthorised party.

14. Limitation of Liability

It is our Policy to exclude and/or limit our liability to Client's in certain situations. Please read the "Limit of Liability" section in our Terms. Our liability under this Agreement will be limited to £5 M.

15. Compliance and Duty of Care

This report may be investigated the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations.

You acknowledge that any duty of care which an individual Chartered Surveyor / Valuer would otherwise owe to you, whether he / she be a partner, associate or an employee of Carter Jonas LLP, is specifically excluded on the basis that you are entirely relying on the duties owed to you by Carter Jonas LLP, Chartered Surveyors, as a well established professional practice.

16. Complaints Procedure

Carter Jonas LLP is regulated by the RICS and is registered with relevant ombudsman services. Please refer to our Terms.

17. Professional Indemnity Insurance (PII)

Carter Jonas LLP has PII cover in accordance with RICS requirements please refer to our Terms.

18. Conflicts of Interest

Carter Jonas LLP has procedures in place to ensure that appropriate conflicts checks are carried out on every instruction so that any conflicts, or potential conflicts in accordance with the RICS guidance. Please refer to our Terms.

19. Abortive Fees and Additional Work

In the event that you withdraw your instructions to us prior to completion of a valuation, we reserve the right to charge a fair and reasonable proportion of our fees and any agreed disbursements.

If we have sent you a draft valuation report, such fees shall be subject to a minimum of 80% of the fee originally agreed between us. Or, if the fee has been agreed on an hourly basis, we shall charge for the hours accrued until your notice of termination.

If we are required by you to undertake any additional work in relation to this instruction, we reserve the right to charge an additional fee based upon our usual rates. This also applies where we are asked to review a legal report or Certificate of Title provided to us more than 8 weeks after we have submitted our report (either in draft or final), or if the time between issuing our draft and final report exceeds 8 weeks.

20. Financial Advice

Nothing in the valuation or advice we provide to you shall constitute financial advice or assistance.

I trust you will find all in order but please do not hesitate to call me about this Letter or our Terms. To confirm your acceptance of these Terms please return a signed copy to me or provide your written acceptance by email, otherwise your continuing instructions will amount to acceptance of these Terms.

Yours sincerely



Desmond Hirsch MSc FRICS RICS Registered Valuer
Consultant

E: Desmond.hirsch@carterjonas.co.uk
T: 01223 326822
M: 07748 601036

I / we instruct Carter Jonas LLP to undertake a Valuation on the terms detailed within this Agreement:

Signed  for and on behalf of Client

Print Name PHILIP GOULD

Address 15 Little Green

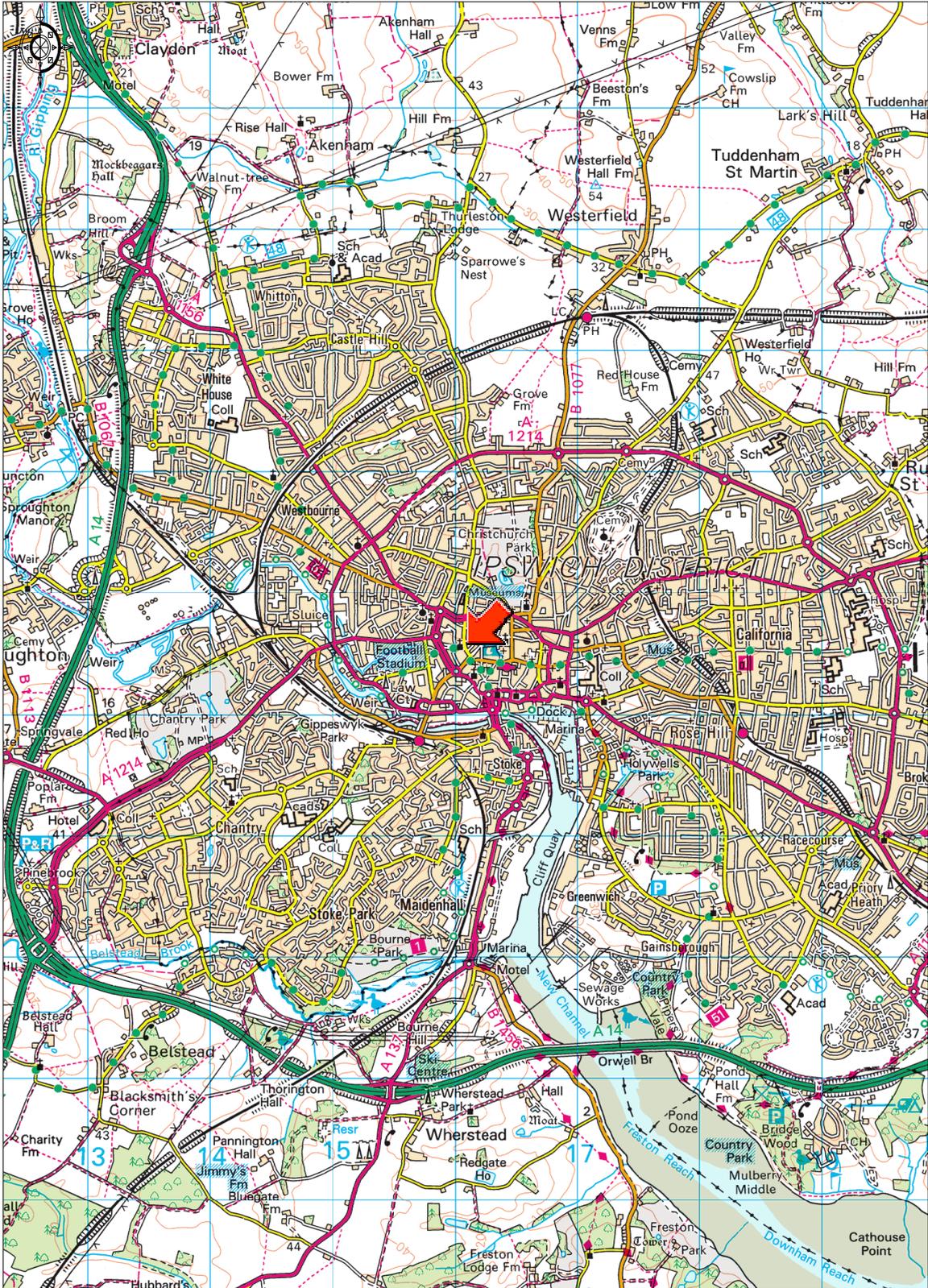
Richmond

TW9 1QH

Date 14/01/19

Appendix 2
Location Plan

22-26 MUSEUM STREET
IPSWICH, SUFFOLK
IP1 1HZ



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Promap
LANDMARK INFORMATION GROUP

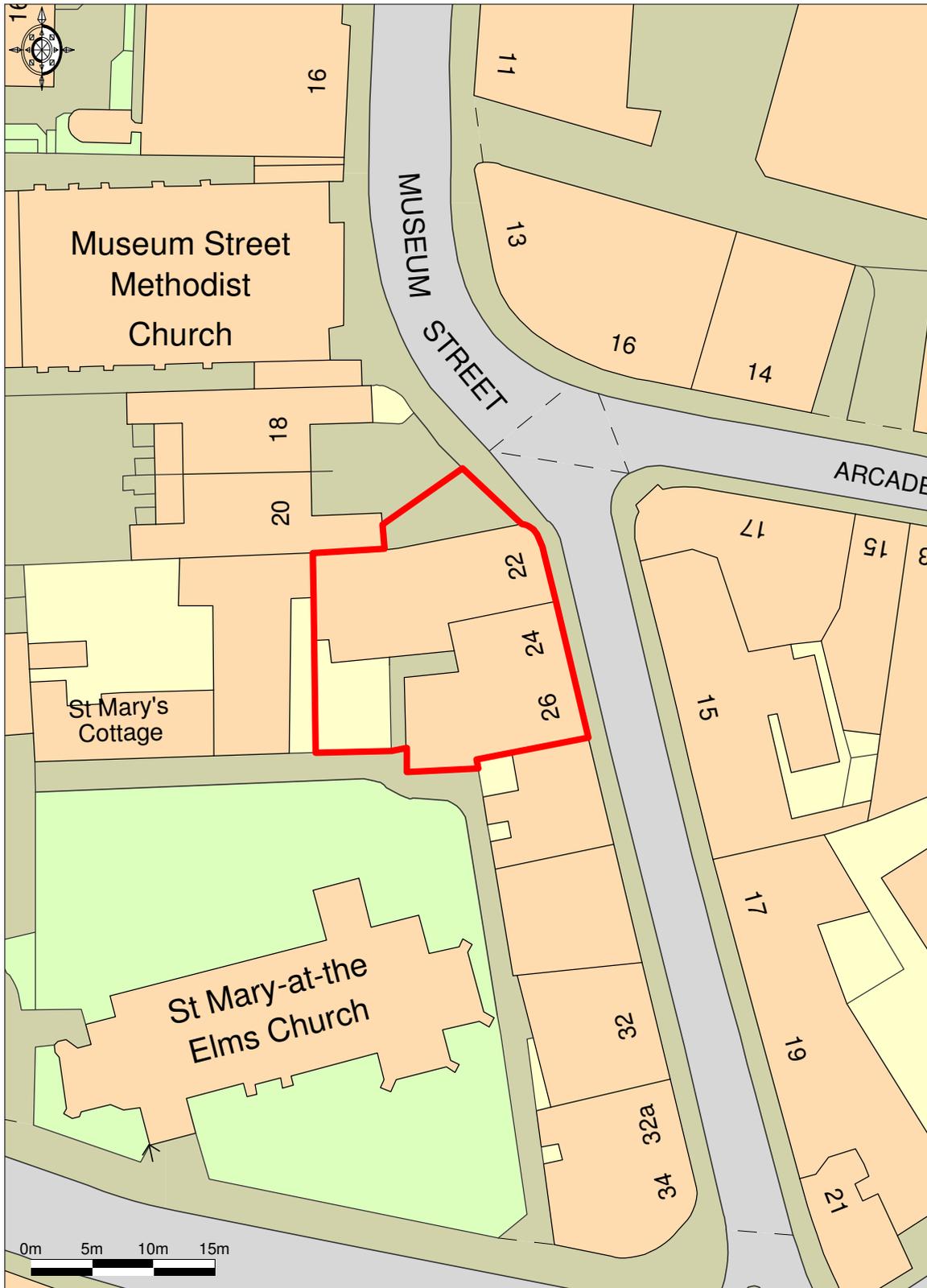
FOR IDENTIFICATION
PURPOSES ONLY

Carter Jonas

Appendix 3

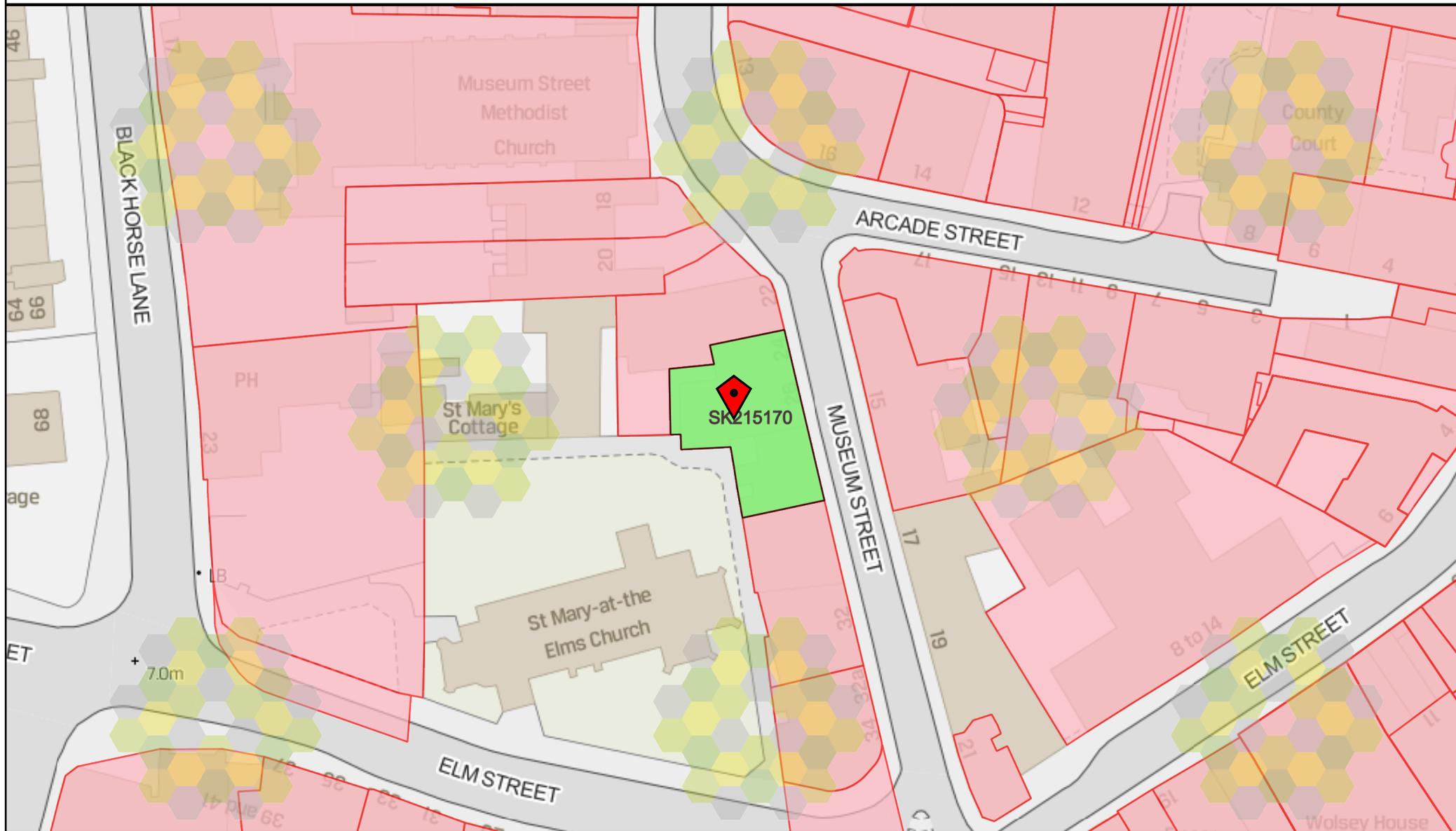
Site Plan

22-26 MUSEUM STREET
IPSWICH, SUFFOLK
IP1 1HZ



Appendix 4

Title SK215170 - 24-28 Museum Street



0 2 4 6 8 12 16 20m

Map scale 1:625

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Data last updated 10:00pm 11 JANUARY, 2019